

CHAPTER 11
CERTIFIED SCHOOL TO CAREER PROGRAM

261—11.1(77GA,ch1225) Purpose. The purpose of the certified school to career program is to provide an articulated sequential program of study, including secondary and postsecondary components (with the option of registered apprenticeship), resulting in a diploma, associate's degree, or other credential and utilizing paid work site internships in partnership with an employer to prepare students for specific employment. Additionally, the program assists students in preparing for a career field and provides postsecondary education financing and employment opportunities in Iowa.

261—11.2(77GA,ch1225) Definitions.

"Certified school to career program" or *"certified program"* means a sequenced and articulated secondary and postsecondary program registered as an apprenticeship program under 29 CFR Subtitle A, Part 29, which is conducted pursuant to an agreement as provided in 1998 Iowa Acts, chapter 1225, section 18, or a program approved by the state board of education, in conjunction with the department of economic development, as meeting the standards enumerated in 1998 Iowa Acts, chapter 1225, section 17, that integrates a secondary school curriculum with private sector job training which places students in job internships, which is designed to continue into postsecondary education that will result in new skills, add value to the wage-earning potential of participants and increase their long-term employability in the state, and which is conducted pursuant to an agreement as provided in 1998 Iowa Acts, chapter 1225, section 18.

"Department" means the Iowa department of economic development.

"Eligible postsecondary institution" means an institution as defined in Iowa Code section 261C.3.

"Employer" means the person or organization that agrees to provide the paid internship; provide a mentor for the on-the-job training component of the education program; participate in curriculum development that identifies knowledge, skills and behaviors needed in the workplace; oversee the trust account and payroll expenditure fund; and employ the participant for a minimum of two years after completion of the participant's postsecondary education.

"Participant" means an individual between the ages of 16 and 24 who is enrolled in a public or private secondary school or postsecondary institution and who initiated participation in a certified school to career program as part of secondary school education.

"Payroll expenditures" means the base wages actually paid by an employer to a participant plus the amount held in trust to be applied toward the participant's postsecondary education.

"Registered apprenticeship program" means a program registered with the U.S. Bureau of Apprenticeship and Training which contains the terms and conditions for the qualification, recruitment, selection, employment and training of apprentices, including the requirement for a written apprenticeship agreement.

"Sponsor" means any person, association, committee, or organization operating a school to career program and in whose name the program is or will be registered or approved.

261—11.3(77GA,ch1225) Certified program work site agreement. The certified program shall be conducted pursuant to a signed written agreement between each participant, parent or guardian, educational institution or sponsor, as appropriate, and the employer, which contains at least the following provisions:

11.3(1) Employer, participant and parent/guardian signatures. The names and signatures of the participant, sponsor or employer, and the signature of a parent or guardian if the participant is a minor are required.

11.3(2) *Educational institution or sponsor acknowledgment.* The secondary school or sponsor and the eligible postsecondary institution or registered apprenticeship program that the participant attends or has chosen to attend must provide an acknowledgment that will be attached to the agreement. The letter of acknowledgment must detail enrollment criteria and provide an acknowledgment that it is likely the participant will be accepted into the program of choice, given that the participant meets established admission criteria.

11.3(3) *Designation of a career field.* A description of the career field in which the participant is to be trained and the beginning date and duration of the training shall be included. The corresponding program of study that the participant plans to enter at the eligible postsecondary institution or through the registered apprenticeship program provider must also be designated.

11.3(4) *Assignment of a mentor.* The employer shall identify a mentor for the participant. The mentor's occupation should be related to the participant's selected career field.

11.3(5) *Employer's agreement to pay a base wage.* The employer shall agree to provide paid employment, at a base wage, for the participant during the summer months after the participant's junior and senior years in high school and after the participant's first year of postsecondary education.

11.3(6) *Minimum academic standards.* The participant and employer shall agree upon set minimum academic standards that must be maintained through the participant's secondary and postsecondary education.

11.3(7) *Compliance with workplace laws and regulations.* The base wage paid to the participant for hours worked shall not be less than the minimum wage prescribed by Iowa law or the federal Fair Labor Standards Act, whichever is applicable at the time the work is performed. The program shall also comply with all state and federal laws pertaining to the workplace, including equal employment opportunity and accident and liability insurance requirements.

11.3(8) *Additional amount to be held in an Employee Retirement Income Security Act (ERISA) fund to pay for postsecondary tuition.* ERISA is described in Title 19 of the United States Code, Chapter 18.

a. In addition to the base wage paid to the participant, the employer shall pay an additional sum to be held in trust and applied toward the participant's postsecondary education required for completion of the certified program. The additional amount must be not less than an amount determined by the department to be sufficient to provide payment of tuition expenses toward completion of not more than two academic years of the required postsecondary education component of the certified program at an Iowa community college or an Iowa public or private college or university or through a registered apprenticeship program. The additional amount specified in this paragraph may include other related postsecondary educational expenses at the discretion of the employer.

b. The eligible postsecondary institution or registered apprenticeship program provider that is identified in the agreement shall compute the anticipated tuition amount for the first two years for the postsecondary program of study identified in the agreement. If the postsecondary program of study is shorter than two years in length, the entire tuition amount shall be identified. Any financial aid in the form of grants or tax credits, and excluding loans, that is anticipated or has already been granted to the participant, may be subtracted from the program tuition costs computed by the eligible postsecondary institution or registered apprenticeship program provider. The resulting tuition costs shall be divided by the number of hours that the participant is anticipated to work for the employer over the three summer internships to determine the hourly amount that the employer must pay in addition to the base wage. The amount set aside for postsecondary tuition may be renegotiated at any time during the certified program based upon additional information that is obtained about the tuition costs, financial aid or other items that will affect the amount of funding needed to cover two years of postsecondary tuition, or all tuition expenses for programs shorter than two years in length, in the selected program. If, for circumstances at the discretion of the participant and beyond the control of the employer, the participant misses hours of work that cannot be made up, the employer is not responsible for funding the entire two years of postsecondary tuition.

c. This additional amount shall be held in trust by the employer for the benefit of the participant. Payment into an ERISA-approved fund for the benefit of the participant shall satisfy this requirement. The specific fund shall be specified in the agreement.

d. Payment of postsecondary tuition expenses from the ERISA fund established through this program shall be made directly to the postsecondary institution or registered apprenticeship program provider unless otherwise designated in the certified program agreement.

e. The certified program work site agreement shall specify any tax implications that the participant may encounter as a result of the accumulation of ERISA funds.

11.3(9) *Participant's agreement to work for the employer.* The participant must agree to work for the employer for at least two years following the completion of the participant's postsecondary education as required by the certified program. However, the agreement may provide for additional education and work commitments beyond the two years. This agreement may be contingent upon the employer's willingness to provide full-time, nonseasonal employment with industry standard wages and benefits.

11.3(10) *Repayment of tuition funding.* If the participant does not complete the two-year employment obligation, the participant's agreement to repay to the employer the amount paid by the employer toward the participant's postsecondary education expenses pursuant to subrule 11.3(8) shall provide that:

a. If a participant does not complete the certified program identified by the agreement after entering the postsecondary component of the school to career education program, any unexpended funds being held in trust for the participant's postsecondary education shall be paid back to the employer. In addition, the participant must repay to the employer amounts paid from the trust which were expended on the participant's behalf for postsecondary education.

b. If a participant selects a different career field and chooses not to complete the certified program identified in the agreement prior to entering the postsecondary component of the education program, one-half of the moneys being held in trust for the participant's postsecondary education shall be paid either to an apprenticeship program of the participant's choice which has been approved under 29 CFR, Subtitle A, Part 29 (February 18, 1977, as amended April 30, 1984) or a postsecondary education institution as defined in Iowa Code section 261C.3 of the participant's choice to pay tuition or expenses of the participant. The other one-half of the trust moneys shall be paid back to the employer. Any moneys to be transferred for the benefit of the participant which are not transferred within five years for purposes of education at the designated postsecondary institution shall be paid back to the employer.

c. If the participant elects to change the participant's postsecondary education choice, but agrees to fulfill the training and employment conditions in the certified program work site agreement, the program agreement shall be modified by consent of the participant, sponsor, parent or guardian, if applicable, employer representative and representatives of the newly selected postsecondary educational entity.

d. If the employer does not offer full-time, permanent employment in the career field designated in the agreement that is consistent with industry standard wages and benefits, the participant shall not be required to make repayment to the employer.

e. If a participant terminates full-time, permanent employment that offers a wage and benefit package consistent with industry standards prior to the two-year time period, the participant shall repay postsecondary education expenses to the employer in whole or in part.

f. If the employer permanently terminates employment of the participant and unemployment insurance is awarded, no repayment of the tuition assistance funds shall be required.

11.3(11) *Additional tuition allowance.* Employers may, at their discretion, pay participants an additional amount that will cover more than two years of postsecondary tuition.

11.3(12) *Documentation of certified program.* Documentation of the internship's being part of registered apprenticeship program under 29 CFR Subtitle A, Part 29, which is conducted pursuant to an agreement as provided in 1998 Iowa Acts, chapter 1225, section 18, or a program approved by the state board of education must be part of the agreement.

11.3(13) *Certified program work site agreement submittal.* The certified program work site agreement must be submitted to the department for approval prior to the beginning of the internship. The department shall review the agreement and provide a letter of approval or denial within 30 days of receipt of the agreement.

261—11.4(77GA,ch1225) Payroll expenditure refund.

11.4(1) *Eligible Iowa payroll expenditure refund.* An Iowa employer who employs a participant in a certified school to career program may claim a refund of 20 percent of the employer's payroll expenditures for each participant in the certified program. The refund is limited to the first 400 hours of payroll expenditures per participant for each calendar year the participant is in the certified program, not to exceed three years per participant. In order to receive the refund, an employer must submit a finalized certified program work site agreement to the department and receive approval for the program prior to the participant's beginning work for the business.

11.4(2) *Claim submittal process.* To receive a refund under subrule 11.4(1) for a calendar year, the employer shall file the claim by July 1 of the following calendar year. Claims that are not received by July 1 of the calendar year following the payroll expenditure shall not receive a refund. The claim shall be filed on forms provided by the department of economic development and the employer shall provide such information regarding the employer's participation in a certified school to career program as the department may require. If the amount appropriated to the certified school to career program in any given fiscal year is insufficient to pay all of the refund claims for the applicable calendar year, each claimant shall receive a proportion of the claimant's refund equal to the ratio of the amount appropriated to the total amount of refund claims. Any unpaid portion of a claim shall not be paid from a subsequent fiscal year appropriation. The participant's social security number will be required for purposes of program evaluation.

These rules are intended to implement 1998 Iowa Acts, chapter 1225, sections 15 to 21.

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CHAPTER 12

Reserved

CHAPTER 13

IOWA BUSINESS-INDUSTRY INFORMATION AND TRAINING NETWORK

Rescinded IAB 7/19/95; effective 8/23/95

CHAPTER 14

YOUTH AFFAIRS

Transferred to 345—Ch 12, IAB 7/17/96, effective 7/1/96, pursuant to 1996 Iowa Acts, Senate File 2409.

CHAPTERS 15 and 16

Reserved